

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

In re: Nathaniel James Marvin Raimer
Debtor

Case No.18-11929-cjf
(Chapter 7)

TRUSTEE'S MOTION TO COMPROMISE CLAIM BY THE ESTATE

Virginia E. George, Trustee in Bankruptcy of the above-named estate, moves the court for an order authorizing the compromise of the claim of the estate on the terms and for the reasons stated below, pursuant to Federal Rule of Bankruptcy Procedure 9019. The Trustee moves the Court for such authority assuming no objections to said compromise are timely filed:

1. This case was filed on 06/06/2018 under Chapter 7 of the Bankruptcy Code.
2. The debtor's schedules indicate general unsecured pre-petition, non-priority creditors of \$31,328.10.
3. (Give details regarding what the controversy in question is) The debtor made a transfer of real estate to his parents for less than equivalent value within the two year look back period. Such a transfer is prohibited by 11 USC § 548(a)(1) and the trustee could start an adversary proceeding against the parents to attempt to win a money judgment for at most \$21,000.00. The facts of the transfer are set forth in detail in the attached stipulation.
4. The debtor's parents Timothy Raimer and Marie Raimer have offered to settle the above described transfer by paying the estate \$10,000.00 to the bankruptcy estate. The trustee recommends the settlement subject to approval by the Court after notice to creditors.
5. ANALYSIS OF PROPOSED COMPROMISE: The factors set forth in the case of *In re American Reserve*, 841 F.2d 159 (7th Cir.1987) apply as follows:
 - a. Comparison of the settlement terms with litigation, probable costs and

probable benefits: Without a settlement the estate would have to start an adversary proceeding (a lawsuit) against the debtor's parents. It is likely the estate would win the adversary proceeding, but it would take a substantial amount of time (6 -12 months) and cost the estate about \$5,250.00 dollars in attorney fees and \$600.00 in expenses. The proposed settlement/compromise with the debtor's parents for \$10,000.00 avoids this litigation, brings finality and avoids expenses.

- b. CREDITORS / CLAIMS FILED: The claims bar date has passed. The trustee has reviewed all the claims filed #1-3. The filed priority claims total \$0.00 and the filed unsecured claims total \$24,186.15 and, if the compromise is approved, the estimated administrative claims total \$1,750.00 in trustee compensation and \$85.00 in expenses.
- c. EFFECT ON CREDITORS: The trustee estimates the settlement will provide adequate funds to pay a distribution of approximately 37% to the unsecured creditor class.

Dated: 08/05/2019

/s/

Virginia E. George
Chapter 7 Trustee
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